

EXHIBIT D
SAMPLE AIRPORT RESTAURANT LEASE

RESTAURANT LEASE - AIRPORTS

BORREGO VALLEY AIRPORT

BORREGO SPRINGS, CALIFORNIA

LESSOR: COUNTY OF SAN DIEGO, a Political
Subdivision of the State of California

LESSEE: _____

PARCEL: PORTION OF 87-0316A

COUNTY CONTRACT NUMBER: _____

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EXHIBITS TO AGREEMENT

EXHIBIT "A" - PREMISES PLAT
EXHIBIT "B" - SAMPLE MENU

RESTAURANT LEASE - AIRPORTS
BORREGO VALLEY AIRPORT

THIS LEASE AGREEMENT is made and entered into this ____ day of _____, 2016, by and between County of San Diego, a Political Subdivision of the State of California, hereinafter called "County" or "Lessor", and _____, hereinafter called "Lessee."

WITNESSETH:

That for and in consideration of the rentals, agreements, and conditions as hereinafter specifically set forth to be faithfully paid, kept, and performed by Lessee, County hereby rents and lets, and Lessee hereby takes possession of, hires, rents, and accepts the Premises and appurtenances thereto consisting of that certain real property described as 1816 Palm Canyon Drive, Borrego Springs, CA 92004, being a portion of Borrego Valley Airport (Eastern portion of County Parcel Number 87-0316A) and commonly identified as the "Borrego Valley Airport Restaurant." All of said real property is outlined on the plat marked Exhibit "A" attached hereto and by this reference incorporated herein.

It is understood and agreed by and between the parties hereto as follows, to wit:

1. DEFINITION OF TERMS. The following words in this Lease Agreement shall have the significance attached to them in this Section unless otherwise apparent from their context:

- a. "Agreement" means this Lease Agreement.
- b. "Airport" means Borrego Valley Airport, Borrego Springs, California.
- c. "ALP" means the FAA-approved Airport Layout Plan for the Airport.
- d. "Commencement Date" means _____, the first day of the term of this Agreement.
- e. "DOT" means the United States Department of Transportation.
- f. "Director of Airports" means the County of San Diego, Department of Public Works Director of Airports.
- g. "FAA" means the Federal Aviation Administration.
- h. "Lease Administrator" means the Director of Airports, Department of Public Works, County of San Diego, as specified in Section 3 of this Agreement, or, upon written notice to Lessee, such other person as shall be designated County's Lease Administrator from time to time by County.
- i. "Premises" means the real property described as 1816 Palm Canyon Drive, Borrego Springs, CA 92004, being a portion of Borrego Valley Airport (Eastern portion of County Parcel Number 87-0316A) and commonly identified as the "Borrego Valley Airport Restaurant," as delineated on Exhibit "A" of this Agreement, attached hereto and made a part hereof.

2. EXHIBITS TO AGREEMENT. This Agreement includes the following Exhibits, which are attached hereto and by this reference made a part hereof: Exhibit "A" – Premises Plat, Exhibit "B" - Sample Menu.

3. ADMINISTRATION AND NOTICE. This Agreement shall be administered on behalf of County by the Lease Administrator, whose address is:

Director of Airports
County of San Diego
Department of Public Works, Airports
1960 Joe Crosson Drive
El Cajon, CA 92020-1236

With a copy to:

Real Property Section
County of San Diego Airports
1960 Joe Crosson Drive
El Cajon, CA 92020-1236

and on behalf of Lessee by _____, whose address is:

XXXXXXXXXX
XXXXXXXXXXXXXX

All notices to be sent to the County shall be sent to the Lease Administrator. All notices to be sent to the Lessee shall be sent to the Lessee's Contact identified in this Section 3. Notices may be sent either by first class, United States mail, postage pre-paid, in which case they shall be deemed delivered five (5) business days after deposit in the mail, or by personal delivery, in which case they shall be deemed delivered upon receipt. The parties may, from time to time, by written notice provided in accordance with this Agreement, change the person or address for giving notice.

4. TERM. The term of this Agreement shall be _____ years commencing on _____ and terminating _____, unless earlier terminated pursuant to this Agreement. **[For leases of 10 years or less include the following, "The maximum term under this agreement including any extension shall be 10 years."]**

5. RENT. Rent shall be paid to the County during the entire term of this Lease. In addition to such other amounts as may from time to time be due and owing County in accordance with this Lease, Lessee shall pay Minimum Monthly Rent and Percentage Rent to the County. Lessee shall only be obligated to pay Percentage Rent to the County when the Percentage Rent exceeds the Minimum Monthly Rent for the same month or fractional period of such month that the gross income which is used to calculate the Percentage Rent was received by or became due and owing to Lessee. Lessee shall not pay less than the Minimum Monthly Rent to County for each month or fractional period of a month during the Term of this Lease.

5.1 Minimum Monthly Rent. Subject to the adjustments as provided in Section 5.3 (COST OF LIVING ADJUSTMENTS ("COLA") TO THE MINIMUM MONTHLY RENT) Lessee shall pay to County Minimum Monthly Rent of _____ Dollars (\$_____) per month for the use and occupancy of the Premises. Lessee shall pay the Minimum Monthly Rent in advance, without setoff, deduction, prior notice or demand, commencing on the Commencement Date. Should the Commencement Date of this Lease be on a day other than the first day of a calendar month, then the Minimum Monthly Rent for such first fractional month shall be computed on a daily basis for the period from the Commencement Date to the end of such calendar month and at an amount equal to one thirtieth (1/30th) of said monthly rent for each such day, and thereafter shall be computed as aforesaid.

Upon receipt of Lessee's written request, the Lease Administrator may, at his or her sole discretion, authorize rent credit for any specific month(s) of the year when the restaurant is closed; provided, however, that such closure must be approved in advance by the Director of Airports. Lease Administrator shall inform Lessee in writing of its decision regarding rent credit for the amount requested. Lease Administrator reserves the right, at any time, to rescind or modify a grant or denial of rent credit. In no event shall the amount of any rent credit exceed the amount of two months of Minimum Monthly Rent due under this Agreement.

5.2 Percentage Rent. County shall be entitled to receive a portion of the gross income of Lessee from the operation of the restaurant facilities as calculated in accordance with this Section as additional rent (hereinafter "Percentage Rent"). Lessee shall only be obligated to pay to County that portion of the Percentage Rent which exceeds the Minimum Monthly Rent for the same month or fractional period of such month that the Percentage Rent was received by or became due and owing to Lessee. Lessee shall pay Percentage Rent to the County, without setoff, deduction, prior notice or demand, on the first (1st) day of the second month following the month or fractional period of such prior month that the Percentage Rent was received by or became due and owing to Lessee. A copy of Gross receipts schedule shall be provided to County Airports at 1960 Joe Crosson Drive, El Cajon, CA 92020, no later than the first (1st) day of the second month following the month or fractional period of such prior month that the Percentage Rent was received by or became due and owing to Lessee.

Percentage Rents will be calculated on a calendar month basis and will consist of the percentages as set forth below of the total gross income from all types of sales received by or due and payable to Lessee, without any offset or deductions except for the Minimum Monthly Rent set forth above.

<u>Business Activities</u>	<u>Percentages</u>
Food and Non-Alcoholic Beverages.....	_____ Percent (____ %)
Alcoholic Beverages.....	_____ Percent (____ %)
Aviation Catering Services.....	_____ Percent (____ %)
Other Uses Pre-Approved by County (e.g., banquets or off-site catering).....	_____ Percent (____ %)
Vending Machines, Telephones, or Any Other Pay for Service Type Devices.....	_____ Percent (____ %)
Uses Not Pre-Approved by County.....	_____ Percent (____ %)

The Director of Airports, in his or her sole discretion, may approve in writing additional activities that would otherwise be subject to the twenty percent (20%) fee for unapproved activities. Upon approval by the Director of Airports, such previously unapproved activities may be subject to a percentage rate of up to twenty percent (20%) of the gross receipts received by or due and owing to Lessee for such activities.

5.3 Cost of Living Adjustments ("COLA") to the Minimum Monthly Rent. The Minimum Monthly Rent provided for in Section 5.1 (MINIMUM MONTHLY RENT) shall be adjusted as of the first (1st) anniversary of the Commencement Date, and thereafter every year on such date for the remainder of the Term (each such period is referred to herein as a "COLA Period"), to reflect any decrease in the purchasing power of the dollar. The rent adjustment to be effective during each COLA Period shall be determined by use of the following formula.

$$R=A (B/C)$$

Wherein:

"R" equals the adjusted Minimum Monthly Rent for each month of the COLA Period for which rent is being adjusted;

"A" equals the Minimum Monthly Rent set forth in Section 5.1 above;

"B" equals the monthly Consumer Price Index, as hereinafter defined, for the month of

_____ immediately preceding the commencement of the COLA Period for which the rent is being adjusted; and

"C" equals the monthly Consumer Price Index, as hereinafter defined, for the month of _____ 2016.

The consumer price index which shall be used as the source for the Consumer Price Index numbers shall be that published by the United States Department of Labor, entitled United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for the Los Angeles-Riverside-Orange County, CA Area, all items of the index entitled "Consumer Price Index for All Urban Consumers" for the Los Angeles-Riverside-Orange County, CA Area (1982-84 = 100). In the event that such index is not published for the Los Angeles-Riverside-Orange County, CA Area, then another comparable index or source of such information generally recognized as authoritative shall be substituted by agreement of the parties. If the parties should not agree, such source of information shall be determined by arbitration pursuant to the provisions of the California Code of Civil Procedure. The arbitrator's fee shall be split by the parties.

6. DELIVERY OF RENT PAYMENTS. All rent due under this Agreement shall be made payable to the County of San Diego, and shall be considered paid when delivered to:

County of San Diego
Department of Public Works
Attn: A/R, Financial Services
5510 Overland Ave., Suite 410
San Diego, CA 92123-1239

County may, at any time by written notice to Lessee, designate a different address to which Lessee shall deliver the rent payments. County may, but is not obligated to, send monthly rent invoices to Lessee.

7. LATE PAYMENT.

(a) If Lessee fails to pay rent due hereunder within fifteen (15) days of the time it is due and payable, such unpaid amounts shall bear interest at the rate of ten percent (10%) per year from the date due to the date of payment, computed on the basis of monthly compounding with actual days elapsed compared to a 360-day year. In addition to such interest, the late payment by Lessee of any monthly rent due hereunder will cause County to incur certain costs and expenses not contemplated under this Lease, the exact amount of which is extremely difficult or impracticable to fix. Such costs and expenses will include, without limitation, administrative and collection costs, and processing and accounting expenses. Therefore, if any such monthly rental is not received by County from Lessee within fifteen (15) days of the Due Date, or the first business day thereafter, Lessee shall immediately pay to County a late charge equal to five percent (5%) of such overdue amount. County and Lessee agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to County for its loss caused by Lessee's nonpayment. Should Lessee pay said late charge but fail to pay contemporaneously therewith all unpaid amounts of rent due hereunder, County's acceptance of this late charge shall not constitute a waiver of Lessee's default with respect to such nonpayment by Lessee nor prevent County from exercising all other rights and remedies available to County under this Agreement or under law.

(b) In the event of a dispute between the parties as to the correct amount of Minimum Monthly Rent, Percentage Rent, or Additional Rent owed by Lessee, County may accept any sum tendered by Lessee in payment thereof, without prejudice to County's claim as to the proper amount of rent owing. If it is later determined that Lessee has not paid the full amount of rent owing, the late charge specified herein shall apply only to that portion of the rent still due and payable from Lessee. Notwithstanding any provision of this Section to the contrary, the Lease Administrator may waive any late charge or interest.

8. SECURITY DEPOSIT. In addition to the rental received in accordance with Section 5 (RENT) contained herein, County hereby acknowledges receipt of \$_____ as security for Lessee's performance of this Lease. County shall not be required to keep this Security Deposit separate from its general funds, and Lessee shall not be entitled to interest thereon. Said security deposit may be applied by the Lease Administrator toward reimbursement of any costs incurred because of Lessee's violation of this Agreement, including, but not limited to, surrender of Premises by Lessee in an unclean and unsanitary condition, damage to Premises, or nonpayment of rent. The Lease Administrator shall be the sole judge in determining the amount of refund, if any, to Lessee upon termination of this Agreement.

9. USE. Lessee shall use Premises for the following purpose only: a restaurant for preparation and sale of food and liquor and for no other purpose. Prior to the commencement of operations under this Agreement, Lessee shall obtain from the Department of Alcoholic Beverage Control a license of the "bona fide eating place" type (Type 41 or 47) as determined by the Department of Alcoholic Beverage Control regulations. Lessee shall maintain such license in good standing throughout the term of this Agreement and shall comply with all requirements and conditions of such license. Lessee shall not use, or permit the use of, the Premises other than for the purposes as described above. Noncompliance by Lessee with this provision is grounds for immediate termination of this Agreement by the Lease Administrator without the need for prior notice. In any case where Lessee is, or should reasonably be, in doubt as to the propriety of any particular use, Lessee may request, and will not be in breach or default if Lessee abides by, the written determination of the Lease Administrator that such use is or is not permitted.

Lessee shall maintain the following minimum hours of operation: Six days per week, including weekends, 7:00 am to 3:00 pm during the months September through June. For the months of July and August, the hours of operation will be negotiated to reflect customer demand. Lessee's sample menu, Exhibit 'B', shall be generally representative of the types of meals that shall be offered unless otherwise approved in writing in advance by the Lease Administrator.

10. OCCUPANCY. Occupancy and use of the Premises shall be in accordance with the terms and conditions of this Agreement and with local, state and federal laws, ordinances and regulations, including the provisions of any federal grant agreement with County regarding the County-owned and operated airport system. In the event of any conflict between the terms and conditions of this Agreement and said laws, ordinances and regulations, the more restrictive shall apply.

11. INSURANCE REQUIREMENTS.
Without limiting Lessee's indemnification obligations to County under this Agreement, Lessee shall provide and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the Premises. The cost of such insurance shall be borne by the Lessee.

11.1 Minimum Scope of Insurance
Coverage shall be at least as broad as:

A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001.

B. Automobile Liability covering all owned, non-owned and hired auto, Insurance Services Office form CA0001.

C. Workers Compensation, as required by State of California and Employer's Liability Insurance.

D. Property Insurance against all risk or special form perils, including: Replacement Cost coverage, without deduction for depreciation, for Lessee's merchandise, fixtures owned by Lessee, any items identified in this Agreement as improvements to the Premises constructed and owned by Lessee, and the personal property of Lessee, its agents and employees. Rental Income Insurance assuring County of receiving the minimum monthly rent from the time the Premises are damaged or destroyed with a minimum period of coverage for one (1) year.

11.2 Minimum Limits of Insurance
Lessee shall maintain limits no less than:

A. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability and Independent Contractors: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000 and shall be a Per Location Aggregate. Fire Damage Limit (Any One Fire) \$300,000 and Medical Expense Limit (Any One Person) \$5,000.

B. Automobile Liability:

1. Non-owned and Hired Automobile Liability: \$1,000,000 each accident for bodily injury and property damage. Coverage will include contractual liability.
2. Owned Automobile Liability: \$300,000 each accident for bodily injury and property damage.

C. Employers Liability: \$1,000,000 each accident for bodily injury or disease.

D. Property: Full replacement cost with no coinsurance penalty provision.

11.3 Deductibles and Self-Insured Retentions
Any liability deductible or self-insured retention must be declared to and approved by the County's Risk Manager. The property insurance deductible shall not exceed \$5,000 per occurrence and shall be borne by Lessee.

11.4 Other Insurance Provisions
The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

A. Additional Insured Endorsement

Any general liability policy provided by Lessee shall contain an additional insured endorsement applying coverage to the County of San Diego, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively.

B. Primary Insurance Endorsement

For any claims related to this Agreement, the Lessee's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, the members of the Board of Supervisors of the County, its officers, agents, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.

C. Notice of Cancellation

Each required insurance policy shall be endorsed to state that coverage shall not be canceled by Lessee, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the County at the address shown in Section 3 of this Agreement entitled "Administration and Notice". Lessee is required at all times during the Term to maintain required insurance coverage, and shall provide County with copies of any replacement policies in accordance with Section 11.6 (Evidence of Insurance).

General Provisions

11.5 Qualifying Insurers

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County's Risk Manager.

11.6 Evidence of Insurance

Prior to commencement of this Agreement, but in no event later than effective date of the Agreement, Lessee shall furnish the County with certificates of insurance and amendatory endorsements effecting coverage required by this section. Lessee shall furnish certified copies of the actual insurance policies specified herein, within thirty days after commencement of Agreement. Thereafter, copies of renewal certificates and amendatory endorsements shall be furnished to County within thirty days of the expiration of the term of any required policy. Lessee shall permit County at all reasonable times to inspect any policies of insurance of Lessee, which Lessee has not delivered to County.

11.7 Failure to Obtain or Maintain Insurance; County's Remedies

Lessee's failure to provide insurance specified or failure to furnish certificates of insurance, amendatory endorsements and certified copies of policies, or failure to make premium payments required by such insurance, shall constitute a material breach of the Agreement, and County may, at its option, terminate the Agreement for any such default by Lessee.

11.8 No Limitations of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Lessee, and any approval of said insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Lessee pursuant to the Agreement, including, but not limited to, the provisions concerning indemnification.

11.9 Review of Coverage

County retains the right at any time to review the coverage, form and amount of insurance required herein and may require Lessee to obtain insurance reasonably sufficient in coverage, form and

amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

11.10 Self-Insurance

Lessee may, with the prior written consent of County's Risk Manager, fulfill some or all of the insurance requirements contained in this Agreement under a plan of self-insurance. Lessee shall only be permitted to utilize such self-insurance if in the opinion of County's Risk Manager, Lessee's (i) net worth, and (ii) reserves for payment of claims of liability against Lessee, are sufficient to adequately compensate for the lack of other insurance coverage required by this Agreement. Lessee's utilization of self-insurance shall not in any way limit liabilities assumed by Lessee under this Agreement.

11.11 Waiver of Subrogation

Lessee and County waive all rights to recover against each other or against any other lessee or occupant of the building, or against the officers, directors, shareholders, partners, employees, agents or invitees of each other or of any other occupant or lessee of the building, from any Claims (as defined in the Article entitled "Indemnification") against either of them and from any damages to the fixtures, personal property, Lessee's improvements, and alterations of either County or Lessee in or on the Premises and the Property, to the extent that the proceeds received from any insurance carried by either County or Lessee, other than proceeds from any program of self-insurance, covers any such Claim or damage. Included in any policy or policies of insurance provided by Lessee shall be a standard waiver of rights of subrogation against County by the insurance company issuing said policy or policies.

12. ASSIGNING, SUBLEASING AND ENCUMBERING. Lessee shall not encumber the Premises or any appurtenances thereto and shall not assign, sublease, or encumber its interest in this Agreement.

13. UTILITIES. Lessee shall provide and pay for all initial utility deposits and fees, and for all utilities and services necessary for its use and occupancy of the Premises during the Term, including but not limited to gas, water, electricity, trash, sewer/septic tank charges and telephone; County shall have no responsibility to either provide or pay for such services. County will not be liable for any reason for any loss or damage resulting from an interruption of any of these services. County shall have the right, at no charge from Lessee, to connect to any water, sewer, electrical, gas and communications lines as are now or may hereafter be installed on the Premises, and shall have all necessary rights of access to construct and service such connections; provided, however, that Lessee shall have no obligation to pay any additional service fees or charges assessed by any governmental agency, or public or private utility company, for County's use of such connections.

14. REPAIRS AND MAINTENANCE.

A. Lessee acknowledges that Lessee has made a thorough inspection of the Premises, and that it accepts the Premises in their current condition. Lessee further acknowledges that County has made no oral or written representations or warranties to Lessee regarding the condition of the Premises, and that Lessee is relying solely on its inspection of the Premises with respect thereto.

B. Lessee hereby acknowledges that Lessee has inspected the Premises, that Lessee accepts said Premises "as is" and "where is", that the Premises are in a good and sanitary order, condition, and repair, and hereby accepts them as such. Lessee agrees to take good care of the Premises and of all improvements, alterations, fixtures, and appurtenances thereon and thereto, and to give prompt notice to the Lease Administrator of any damage to same. In addition, Lessee agrees to

make all repairs, including painting, in and about the Premises that (excepting exterior maintenance) that may be necessary to preserve them in good order and condition. Said repairs, if any, shall be made in a good and professional manner by qualified and licensed parties (e.g. electricians, plumbers), and at least equal to the original condition of the repaired items in respect to quality. Lessee shall notify the County within thirty (30) days of all such repairs, so that County may conduct inspections, in accordance with Section 21 (RIGHT OF ENTRY AND INSPECTION) to confirm work has been completed appropriately. Lessee shall promptly pay the expenses of such repairs, and County shall not be required to make any improvements, repairs, or alterations of any nature whatsoever. Lessee's obligation to maintain the Premises is part of the consideration (subject to Section 5 RENT, hereinabove) for the rental hereof, and Lessee therefore waives all rights it may otherwise have had under Sections 1941 and 1942 of the California Civil Code.

In the event Lessee fails to properly maintain the Premises and have work completed by qualified and licensed parties as required by County, then County will notify Lessee in writing of said failure. In the event Lessee fails to perform said maintenance within ten (10) days after such notice by County, County may perform or cause to have performed such maintenance, and the cost thereof including, but not limited to, the cost of labor, material, and equipment, shall be paid by Lessee to County within thirty (30) days from receipt by Lessee of a statement of costs from County.

15. IMPROVEMENTS AND ALTERATIONS. As partial consideration and security for the granting of this Lease by County, Lessee shall, within _____ () months of the Commencement Date, complete the following required improvements ("Required Improvements") on the Premises,

_____. In addition, with the prior written approval, and at the sole discretion, of the Director of Airports, Lessee may, at Lessee's own expense, from time to time make such permanent and nonstructural alterations, replacements, additions, changes, and/or improvements (collectively referred to in this Lease as "Improvements") to the Premises as Lessee may find necessary or convenient for its purposes; provided, however, that the value of the Premises is not thereby diminished. In no event shall Lessee make or cause to be made any penetration into or through the roof or floor of any structure on the Premises without obtaining the prior written approval therefor from the Director of Airports and from the appropriate building/inspection department having jurisdiction over the Premises. Lessee shall at all times conduct its construction operations so that such operations do not interfere with the normal operation and use of the Airport by County, the public and other persons and organizations entitled to use of the same.

All Improvements to be made to the Premises shall be made under the supervision of a competent architect or licensed structural engineer, in conformity with any present or future ALP and development standards which are or may be adopted by County and the FAA, and with the structural, mechanical, electrical, and design plans and specifications approved in writing by the Director of Airports, before commencement of any work.

Lessee shall not permanently attach, affix or connect any fixtures or other objects (hereinafter "Improvements") to the Premises, nor paint (excepting minor touch-ups and repairs), alter, cut, add to, or otherwise make any alterations to the appearance, structure, or condition of the Premises (hereinafter "Alterations") without the prior written consent of the Lease Administrator, whose approval shall not be unreasonably withheld. Any Improvements that are proposed for the purpose of complying with Section 32 (SECURITY) shall be subject to approval as to form and design; however, any such approval shall not constitute an admission by County of the adequacy or sufficiency of such Improvements. Upon the termination of this Agreement, County may, at its

option, provide written notice requiring Lessee to completely remove any Improvements from the Premises and restore the Premises to the condition it was in prior to the Commencement Date, less any reasonable wear and tear to the Premises. Such removal shall be completed within thirty (30) days receipt of written notice from County or within any other reasonable time period established by the Lease Administrator. If Lessee refuses or neglects to remove such Improvements or any part thereof in a manner reasonably satisfactory to County, County shall have the right, upon giving Lessee reasonable written notice of its election to do so, to remove such Improvements on behalf of and for the account of Lessee. If County makes or causes any such Improvements to be removed as provided for herein, Lessee shall pay the cost thereof to County within thirty (30) days upon receipt of an invoice therefore. Any Improvements made with the consent of the Lease Administrator shall become property of the County and shall remain upon and be surrendered with the Premises upon termination of this Agreement, without any compensation owed to Lessee in accordance with the provisions of Section 25 (VACATION OF PREMISES AND DISPOSITION OF IMPROVEMENTS, FIXTURES AND PERSONAL PROPERTY). However, County reserves the right to require Lessee to remove any such Improvements from the Premises.

16. RECORDS, ACCOUNTS AND AUDITS. Lessee shall, at all times during the Term of this Agreement, keep or cause to be kept, true and complete books, records and accounts of all financial transactions in the operation of all business activities, of whatever nature, conducted pursuant to the rights granted herein. Said records must be supported by source documents such as sales slips, cash register tapes, purchase invoices or other pertinent documents. All Lessee's books or accounts and records shall be kept within the County of San Diego and shall be made available at the office of the County Lease Administrator, located at 1960 Joe Crosson Drive, El Cajon, CA, 92020, upon thirty (30) days within receipt of a written request from the Lease Administrator. County shall have the right at any reasonable time to examine and perform audits of Lessee's records pertaining to its operations on the Premises. The cost of said audits shall be borne by County; however, Lessee shall provide to County at Lessee's expense, necessary data to enable County to fully comply with each and every requirement of the State of California or by the United States of America for information or reports relating to this Agreement and to Lessee's use of the Premises.

17. TAXES, ASSESSMENTS AND FEES. Pursuant to the provisions of Revenue and Taxation Code § 107.6, Lessee is hereby advised that the terms of this Lease may result in the creation of a possessory interest. If such a possessory interest is vested in Lessee, Lessee may be subjected to the payment of property taxes levied on such interest. Lessee shall be responsible for the payment of, and shall pay before they become delinquent, all taxes, assessments, and fees assessed or levied upon Lessee, on the Premises or upon any interest therein, including, but not limited to, any buildings, structures, machines, appliances, or other improvements of any nature whatsoever, or on any interest therein. Lessee shall not allow such taxes, assessments, or fees to become delinquent, and as such to become a lien against said Premises or against any improvement thereon. Nothing herein contained shall be deemed to prevent or prohibit Lessee from contesting the validity or amount of any such tax, assessment, or fee in the manner authorized by law.

18. CONDUCT. Lessee and guests of Lessee shall at all times conduct themselves in a reasonably quiet and dignified manner so as to cause no annoyance or inconvenience to neighbors of Lessee or other users of Airport property and shall not violate, or permit the violation of, any state, federal, County or local ordinance, rule, regulation, policy, or law in or about the Premises.

19. SIGNS. Lessee shall not install nor permit the installation of any sign on the Premises without the prior written consent of the Lease Administrator.

20. LANDSCAPING. Lessee shall at all times maintain the landscaping on the Premises and between the Premises and adjoining streets in a neat, clean, and attractive condition, free of weeds, trash, dead plant material, and other unsightly items.

21. RIGHT OF ENTRY AND INSPECTION. County reserves the right for its agents or employees to enter upon and inspect the Premises at any reasonable time to ascertain if Lessee is complying with the provisions of this Agreement. Lessee shall permit County, or its authorized representatives, to enter the Premises at all times during usual business hours to conduct inspections, including inspections of work performed by Lessee in accordance with Section 14 (REPAIRS AND MAINTENANCE) and to perform any work therein (a) that may be necessary to comply with any laws, ordinances, rules or regulations of any public authority; (b) that County may deem necessary to prevent waste or deterioration in connection with the Premises if Lessee does not make, or cause to be made, such repairs or perform, or cause to be performed, such work within thirty (30) days after receipt of written demand from County; or (c) that County may deem necessary in connection with the expansion, reduction, remodeling, protection or renovation of any County-constructed or owned facilities on or off of the Premises or at the Airport. Nothing herein contained shall imply any duty on the part of County to do any such work which, under any provision of this Lease, Lessee may be required to do, nor shall County's performance of any repairs on behalf of Lessee constitute a waiver of Lessee's default in failing to do the same. No exercise by County of any rights herein reserved shall entitle Lessee to any compensation, damages or abatement of rent from County for any injury or inconvenience occasioned thereby.

22. RIGHT TO SHOW PREMISES. County reserves the right, during the last sixty (60) days of this Agreement prior to termination, to conduct an "open house" of the Premises in order to facilitate re-renting the Premises. Said "open house" shall not exceed four hours total duration (over a maximum of two separate days), and, when possible, shall be scheduled from 3:00 p.m. to 5:00 p.m., Monday through Friday.

23. INDEMNIFICATION. To the fullest extent permitted by law, County shall not be liable for, and Lessee shall defend and indemnify County and its directors, officers, agents, employees and volunteers (collectively "County Parties"), against any and all claims, deductibles, self-insured retentions, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (hereinafter collectively referred to as "Claims"), which arise out of or are in any way connected to the operations covered by this Agreement or with occupancy and use of the Premises or adjacent County airport property by Lessee arising either directly or indirectly from any act, error, omission or negligence of Lessee or its officers, employees, agents, contractors, licensees, invitees, patrons, guests, or servants, including, without limitation, Claims caused by the sole passive negligence or the concurrent negligent act, error or omission, whether active or passive, of County Parties. Lessee shall have no obligation, however, to defend or indemnify County Parties from a Claim if it is determined by a court of competent jurisdiction that such Claim was caused by the sole active negligence or willful misconduct of County Parties.

24. TERMINATION. This Agreement may be terminated by either party hereto by giving to the other party sixty (60) days' notice in writing prior to the termination date. Notwithstanding the foregoing, County may immediately terminate this Agreement when, in the judgment of the Lease Administrator, such termination is necessary or convenient to resolve violations of federal, State or local statute, regulation or grant assurance, or as otherwise permitted by this Agreement.

25. VACATION OF PREMISES AND DISPOSITION OF IMPROVEMENTS, FIXTURES AND PERSONAL PROPERTY. Upon termination of this Agreement for any reason whatsoever, Lessee

shall peaceably vacate and deliver the Premises to County in the same condition as Lessee enjoyed upon its acceptance of the Premises hereunder, excepting ordinary wear and tear, and acts of God.

Upon such termination Lessee shall (1) arrange and pay for the disconnection of all utilities and services ordered by Lessee; (2) surrender or remove, at County's discretion, any improvements made by Lessee after the Commencement Date in accordance with the provisions of this Agreement; (3) provide a written statement to the Lease Administrator of Lessee's new address for purpose of refunding monies, if any, due Lessee under this Agreement; and (4) deliver the keys for the Premises or any buildings or structures thereon to the Lease Administrator or send said keys by certified mail to the Lease Administrator at the address stated in Section 3 (ADMINISTRATION AND NOTICE) contained herein.

26. FEDERAL AVIATION ADMINISTRATION REQUIREMENTS. Lessee shall comply with all and requirements as established by the federal government that are applicable to the County as an airport operator, including without limitation, any FAA orders, County grant conditions, or Codes of Federal Regulation ("CFR"). In the event there is any conflict between the provisions in this Section and the other provisions in this Agreement, the provisions in this Section shall take precedence.

a. Lessee for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said Premises described in this Agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

b. Lessee for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

c. That in the event of breach of any of the above nondiscrimination covenants, County shall have the right to terminate this Agreement and to re-enter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

d. Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

e. Non-compliance with Provision d above shall constitute a material breach thereof and in the event of such non-compliance, County shall have the right to terminate this Agreement and the estate hereby created without liability therefore or at the election of County or the United States either or both said Governments shall have the right to judicially enforce said Provisions.

f. Lessee agrees that it shall insert the above five (5) Provisions in any agreement, contract or sub-agreement by which said Lessee grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Premises herein let.

g. Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it will require that its covered sub-organizations provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

h. County reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee and without interference or hindrance.

i. County reserves the right, but shall not be obligated to Lessee to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.

j. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between County and United States, relative to the development, operation or maintenance of the Airport.

k. There is hereby reserved to County, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises herein leased. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operation on the Airport.

l. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event any future structure or building is planned for the rented Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the rented Premises.

m. Lessee by accepting this lease expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the land rented hereunder to a height greater than 35 feet above the existing grade. In the event the aforesaid covenants are breached, County reserves the right to enter upon the land rented hereunder and to remove the offending structure or object, and/or cut the offending tree, all of which shall be at the expense of Lessee.

n. Lessee by accepting this Agreement agrees for itself, its successors and assigns that it will not make use of the rented Premises in any manner which might interfere with the landing and

taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, County reserves the right to enter upon the Premises hereby rented and cause the abatement of such interference at the expense of Lessee.

o. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act.

p. This Agreement and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

27. NON-DISCRIMINATION. Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, that this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry and such other protected categories that may from time to time be added to Civil Code section 51 or other laws prohibiting discrimination in the use, occupancy, tenure or enjoyment of the Premises; nor shall the Lessee itself, nor its successors or assigns, nor any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation in the use of the Premises.

28. AFFIRMATIVE ACTION PROGRAM. Lessee shall comply with the Affirmative Action Program for Vendors as set forth in Article IIIK (Commencing at Section 84) of the San Diego County Administrative Code, which program is incorporated herein by reference, as such Program may be amended from time to time. A copy of the Affirmative Action Program for Vendors will be furnished to Lessee on request.

29. [INTENTIONALLY LEFT BLANK].

30. MODIFICATION. This Agreement sets forth all of the agreements and understandings of the parties hereto and no term or provision hereof may be changed, waived, discharged or terminated unless the same be in writing executed by both parties hereto.

31. RELOCATION ASSISTANCE. Lessee hereby acknowledges and agrees that Lessee waives all rights to any form of Relocation Assistance provided for by local, state, or federal law to which Lessee may otherwise be entitled by reason of this Agreement.

32. SECURITY. Lessee shall maintain fences, gates, walls and/or barriers on the Premises in a manner designed to prevent unauthorized access to the Premises. Lessee shall be solely responsible for and shall provide for the security of its Premises and all property stored on the Premises during the entire term of this Agreement. County shall not be responsible for the security of the Premises or Lessee's property.

33. AGREEMENT SUBORDINATE TO CONDITIONS AND RESTRICTIONS. This Agreement shall be subordinate to and subject to the terms, conditions, restrictions and other provisions of any existing or future permit, lease, grant, and/or agreement between County and the United States of America and/or any other local, state or federal agency, relative to the control, operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the operation or control of the Airport, or to the expenditure of federal, state or other

funds for the Airport. Lessee agrees to be bound by such terms, conditions, restrictions and provisions and, whenever the County may so demand, to execute, acknowledge or consent formally to such terms, conditions, restrictions or provisions.

34. UNLAWFUL USE. Lessee warrants that no improvements shall be erected, placed upon, operated, or maintained within the Premises, nor shall any business or other activity be conducted or carried on therein or therefrom in violation of the terms of this Agreement, nor in violation of the terms of any federal grant agreement, nor in violation of any regulation, order, statute, policy, or ordinance of a governmental agency having jurisdiction and any breach of said warranty shall constitute a breach of this Agreement.

35. ABANDONMENT. If Lessee abandons the Premises, or is dispossessed by process of law or otherwise, any personal property belonging to Lessee and left on the Premises sixty (60) days after such abandonment or dispossession shall be deemed to have been transferred to County. County shall have the right to remove and to dispose of such property without liability therefor to Lessee or to any person claiming under Lessee and without obligation to account therefor.

36. WAIVER. No provision of this Agreement or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed. The waiver by County of any breach of any term, covenant or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach thereof, or of any other term, covenant or condition contained in this Agreement. County's subsequent acceptance of partial rent or performance by Lessee shall not be deemed to be an accord and satisfaction or a waiver of any preceding breach by Lessee of any term, covenant or condition of this Agreement or of any right of County to a forfeiture of the Agreement by reason of such breach, regardless of County's knowledge of such preceding breach at the time of County's acceptance. The failure on the part of County to require exact or full and complete compliance with any of the covenants, conditions or agreements of this Agreement shall not be construed as in any manner changing or waiving the terms of this Agreement or as estopping County from enforcing in full the provisions hereof. No custom or practice which may arise or grow up between the parties hereto in the course of administering this Agreement shall be construed to waive, estop or in any way lessen the right of County to insist upon the full performance of, or compliance with, any term, covenant or condition hereof by Lessee, or construed to inhibit or prevent the rights of County to exercise its rights with respect to any default, dereliction or breach of this Agreement by Lessee.

37. HAZARDOUS SUBSTANCES. Regardless of whether any obligation to comply with the procedures of this provision falls upon the land owner, the owner of the improvements or the user of the improvements, Lessee shall nonetheless be solely responsible for fully complying with all present or future rules, regulations, restrictions, ordinances, statutes, policies, laws and orders of any governmental entity regarding:

a. Any improvements installed or alterations made on the Premises including, but not limited to, storage tanks, pipelines, pumps, and all other structures and equipment. Lessee is not authorized to make any improvements or alterations to the Premises without the prior written consent of the Lease Administrator pursuant to Section 32; and

b. The storage, distribution, processing, handling or disposal of hazardous substances including, but not limited to, gasoline, diesel, aviation fuels, lubricating oils, solvents, chemicals, and hazardous substances designated in Labor Code Section 6382 and Health & Safety Code Section 25316.

If any hazardous substance as defined above spills, leaks or is discharged from any facility on the Premises, Lessee shall immediately make all repairs necessary to prevent further spills, leaks or discharges and shall immediately clean up and promptly dispose of the spilled hazardous substance and any soil contaminated by the spill. If Lessee fails to make the required repairs, to clean up the spill or to properly dispose of any contaminated soil, County may, after written notice to Lessee, take all steps, which County deems necessary to make the necessary repairs, to clean up the spill and to dispose of any contaminated soil. Lessee shall, within thirty (30) days of receiving a bill from County, reimburse County for the cost of all such repairs and clean-up work that County has done or has had done.

Lessee shall be solely responsible for paying all fines, damages and penalties imposed by any governmental agency relating to the production, storage, distribution, processing, handling, disposing, spilling, leaking or discharging of any hazardous substance as defined above.

38. STORMWATER AND NON-STORMWATER DISCHARGES. The County's airport property, which includes the Premises (collectively "Airport" as used in this Section), is subject to federal, state and local laws regarding the discharge of pollutants into the stormwater conveyance system in stormwater and non-stormwater. The programs established by these laws regulate existing activities, the construction process, and impose design requirements on new development and redevelopment. The development related parts of the local stormwater program implement a region-wide model plan, the Standard Urban Stormwater Management Plan or "SUSMP". In addition to the SUSMP, County has developed a Stormwater Pollution Prevention Plan ("SWPPP") for the Airport that provides for the elimination of prohibited non-stormwater discharges and the prevention of stormwater pollution through the development, installation, implementation and maintenance of pollution prevention measures, source control measures, and Best Management Practices ("BMPs"). BMPs can include operational practices; water or pollutant management practices; physical site features; or devices to remove pollutants from stormwater, to affect the flow of stormwater or to infiltrate stormwater to the ground.

Lessee is required, and agrees, to use, operate, maintain, develop, redevelop and retrofit the Premises in accordance with all applicable federal, state and local laws restricting the discharge of non-stormwater at or from the Airport; and all such laws, regulations, or local guidance requiring pollution prevention measures, source control measures, or the installation or use of BMPs. Lessee further agrees to develop, install, implement and/or maintain, at Lessee's sole cost and expense, any BMPs or similar pollution control devices required by federal, state and/or local law and any implementing regulations or guidance. Lessee further agrees to conform to the specifications in the County of San Diego Watershed Protection, Stormwater Management, and Discharge Control Ordinance, Ordinance Nos. 9424 and 9426, as currently enacted or subsequently amended to comply with any revised or replacement regional stormwater permits, (whether or not such County ordinances are legally applicable to Lessee at this Airport) and to the specifications in the SWPPP for the Airport as the same may be amended from time to time by the County Board of Supervisors or the Director of the County Department of Public Works ("DPW"), respectively.

Lessee understands and acknowledges that the stormwater and non-stormwater requirements applicable to the Airport and to Lessee may be changed from time to time by federal, state and/or local authorities, and that additional requirements may become applicable based on changes in Lessee's activities or development or redevelopment by Lessee or County. County may amend the SWPPP for the Airport in response to such changes, or to implement any County program for stormwater and non-stormwater management at the Airport. Lessee agrees to develop, install, implement, and maintain such additional BMPs and/or other pollution control practices at the Premises at Lessee's sole cost and expense. To the extent there is a conflict between any federal,

state or local law, ordinance, regulation, policy, applicable SUSMP, or SWPPP for the Airport, Lessee shall be obligated to comply with the more restrictive provision. Lessee shall provide County with unrestricted access to the Premises and/or all pertinent records upon seven (7) days written notice for the purpose of monitoring the implementation and maintenance of required BMPs and/or other pollution control devices at the Premises. Failure to provide County with access or to implement, develop, install, and maintain any pollution control practices or BMPs required by this Section shall be grounds for immediate termination of this Agreement without the need for prior written notice.

39. SUBSTANCE ABUSE. Lessee and its employees and agents shall not use or knowingly allow the use of the Premises for: (1) the purpose of unlawfully driving a motor vehicle under the influence of an alcoholic beverage or any drug; or (2) the purpose of unlawfully selling, serving, using, storing, transporting, keeping, manufacturing or giving away alcoholic beverages or any controlled substance, precursor, or analog specified in Division 10 of the California Health and Safety Code. Violation of this prohibition shall be grounds for immediate termination of the Agreement without the need for notice of termination.

40. SPECIAL CONDITIONS.

a. Conflict. Lessee and County agree that in the event there is any conflict between the provisions in this section and any other provisions in this Agreement, the provisions in this section shall govern; provided, however, Section 26 (FEDERAL AVIATION ADMINISTRATION REQUIREMENTS) shall take precedence over all other sections in this Agreement including this Section 40 (SPECIAL CONDITIONS).

b. Reservations as to Navigational Aids. County reserves the right for its agents or employees to enter the Premises to maintain, replace, repair or install air navigational aids including lighting in, on, over, under and across the Premises in a manner which will not unreasonably interfere with Lessee's use of the Premises. Notwithstanding the foregoing, Lessee shall be responsible for installing and maintaining at its sole expense any air hazard or other warning devices on any Improvements on the Premises required by 49 USC Sec. 44718, 44 CFR Part 77 and any other state, federal or County law, ordinance, regulation or policy related to airport approach and navigable airspace protection.

41. OTHER REGULATIONS. All use of County property, including the Premises, shall be in accordance with the laws of the United States of America, the State of California and the Rules or Regulations promulgated by their authority with reference to aviation and air navigation, including the provisions of any federal grant agreement, and shall also be in accordance with all applicable rules and regulations and ordinances of the County of San Diego, now in force, or hereafter prescribed or promulgated by resolution or ordinance or by state or federal law.

42. ENTIRE LEASE AGREEMENT. This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the Lessee and the County with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings and representations, oral or written, are superseded.

43. AUTHORITY. Lessee represents and warrants that it has full power and authority to execute and fully perform its obligations under this Agreement pursuant to its governing instruments, without the need for any further action, and that the person(s) executing this Agreement on behalf of Lessee are the duly designated agents of Lessee and are authorized to do so.

44. CAPTIONS. The captions, headings and index appearing in this Agreement are inserted for convenience only and in no way define, limit, construe, or describe the scope or intent of the provisions of this Agreement.

45. COUNTY APPROVAL. Except where stated herein to the contrary, the phrases "County's approval," and "County's written approval" or such similar phrases shall mean approval of the Lease Administrator in writing.

46. CUMULATIVE REMEDIES. In the event of a default under this Agreement, each party's remedies shall be limited to those remedies set forth in this Agreement; any such remedies are cumulative and not exclusive of any other remedies under this Agreement to which the non-defaulting party may be entitled.

47. FORCE MAJEURE. In the event either party is prevented or delayed from performing any act or discharging any obligation hereunder, except for the payment of rent by Lessee which shall not be subject to this provision, because of any and all causes beyond either party's reasonable control, including unusual delays in deliveries, abnormal adverse weather conditions, unavoidable casualties, strikes, labor disputes, inability to obtain labor, materials or equipment, acts of God, governmental restrictions, regulations or controls, any hostile government actions, civil commotion and fire or other casualty, legal actions attacking the validity of this Agreement or the County's occupancy of the Premises, or any other casualties beyond the reasonable control of either party except casualties resulting from Lessee's negligent operation or maintenance of the Premises ("Force Majeure"), performance of such act shall be excused for the period of such delay, and the period for performance of such act shall be extended for a period equivalent to the period of such delay. Force Majeure shall not include any bankruptcy, insolvency, or other financial inability on the part of either party hereto.

48. GOVERNING LAW, JURISDICTION AND VENUE. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California. Jurisdiction and venue over any disputes regarding this agreement shall rest in the San Diego County Superior Court located in downtown San Diego, California.

49. INTERPRETATION. The parties have each agreed to the use of the particular language of the provisions of this Agreement, and any question of doubtful interpretation shall not be resolved by any rule of interpretation providing for interpretation against the parties who cause an uncertainty to exist or against the draftsman.

50. JOINT AND SEVERAL LIABILITY. If more than one person or entity executes this Agreement as Lessee, each of them is jointly and severally liable for all of the obligations of Lessee hereunder.

51. PARTIAL INVALIDITY. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby. Each provision shall be valid and enforceable to the fullest extent permitted by law.

52. PAYMENTS. Except as may otherwise be expressly stated, each payment required to be made by Lessee shall be in addition to and not in substitution for other payments to be made by Lessee.

53. TIME OF ESSENCE. Time is of the essence of each and every provision of this Agreement.

54. **ACCEPTANCE.** Lessee agrees to accept said Premises in its present condition and further agrees to repair any damage to County property caused by Lessee's operations. Lessee accepts this Agreement subject to all the terms and conditions hereinabove and agrees to abide by all such terms and conditions.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

LESSEE: _____

BY: _____
Signature

Dated: ____/____/____

Print Name/Title

BY: _____
Signature

Dated: ____/____/____

Print Name/Title

LESSOR: COUNTY OF SAN DIEGO, a Political Subdivision of the State of California

BY: _____
Signature

Dated: ____/____/____

Print Name/Title

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

BY _____
DEPUTY

EXHIBIT A

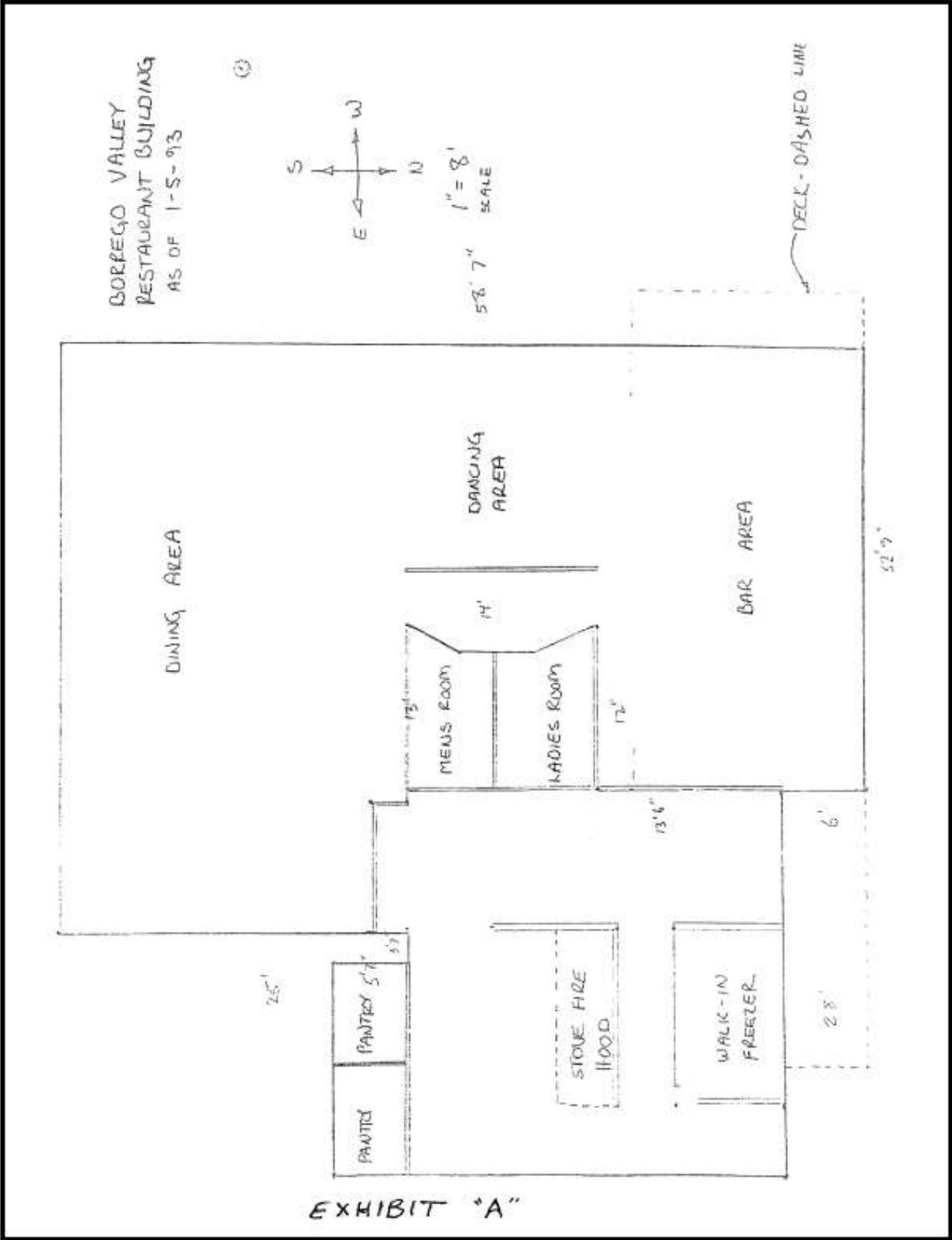


EXHIBIT B

[To be supplied by Lessee]

SAMPLE